

REMARKS

Claims 1, 3-6, 9-15, 17-20, 23-32, 35-41, 44-56, 60-62, and 73-81 are now pending. Claims 2, 7, 8, 16, 21, 22, 33, 34, 42, 43, 57-59, and 63-72 have been canceled. Claims 77-81 are new. Claims 1, 3-4, 9-10, 15, 17-18, 23, 29, 35, 38, 44, 47-56, and 60-61 have been amended. The amendments and new claims are supported at least at pages 3-11 of the specification.

The Office Action mailed May 25, 2006 rejected all pending claims over U.S. Pat. No. 6,421,653, to May, and U.S. Pat. No. 5,717,989, to Tozzoli et al. These rejections are all respectfully traversed.

A. Claims 46-62 are not anticipated by May

Claims 46-62 stand rejected under 35 U.S.C. § 102(e) as anticipated by May. This rejection is respectfully traversed.

As explained previously, May discloses an invention that uses credit information to color quotes differently depending on whether or not a potential trade would pass credit validation. May teaches screening potential counterparties according to their credit limits.

In contrast, at least in one aspect, the present invention teaches screening potential counterparties according to their past trading behavior. In one embodiment, and as claimed in claim 47 (as currently amended), the number of shares of a specified security traded by a participant during a specified time period is taken into account, and a measure of that participant's trading activity is produced. May teaches nothing about measuring a participant's trading activity. Consequently, amended claim 47 (and its dependent claims 48-50) is not anticipated by May.¹ Claims 51-54 are computer program analogues of claims 47-50, and are thus likewise unanticipated by May. Thus, the rejection of claims 47-54 as anticipated by May should be withdrawn.

¹ Applicants do not concede that claim 47 or the other pending claims in their unamended forms are unpatentable – the present amendments have been made solely to advance prosecution of the application.

Claim 55 as currently amended, contains a targeted dissemination list limitation, which the Office Action concedes is not taught by May. Thus, the rejection of claim 55 as anticipated by May should be withdrawn.

Claims 56 and 60-62 depend from claim 1. Since the Office Action does not assert that claim 1 is anticipated by May, the rejection of dependent claims 56 and 60-62 as anticipated by May is improper and should be withdrawn.

New claims 77-81 all depend directly or indirectly from claim 47, and thus are patentable over May for at least the reasons discussed above regarding claim 47.

Moreover, regarding new claims 77 and 78, as explained below regarding claims 73-76, neither May nor Tozzoli teaches anything about basing a targeted dissemination list on inappropriate trading behavior in general, or front running and peg gaming in particular.

New claim 79 has the added limitation (to claim 47) that the received data regarding the first securities market participant comprises confidential information provided by the first securities market participant in order to receive better prices on future trades or more order flow. Neither May nor Tozzoli teaches or suggests this limitation.

New claim 80 has the added limitation (to claim 47) that the measure is based at least in part on percent divergence between disclosed and actual trading activity of said first securities market participant. Neither May nor Tozzoli teaches or suggests this limitation.

New claim 81 has the added limitation (to claim 47) that the measure is based at least in part on percent divergence between stated trading cap and actual trading activity of said first securities market participant. Neither May nor Tozzoli teaches or suggests this limitation.

B. Claims 1-46 and 73-76 are not unpatentable over May combined with Tozzoli

Claims 1-46 and 73-76 stand rejected under 35 U.S.C. 103 as unpatentable over May in view of Tozzoli. These rejections are respectfully traversed.

Claim 1 has been amended to specify that market participants identified as *both* unlikely to take the contra side of an order *and* likely to use the information received from the first securities market participant's computer in a manner that would affect the price or availability of a security are excluded from the targeted dissemination list. This limitation is not taught by May (as conceded in the Office Action) or by Tozzoli. Indeed, neither May nor Tozzoli mentions anything about market participants likely to use information received from another securities

market participant in a manner that would affect the price or availability of a security. Thus, the rejection of claim 1, as amended, is unsupported and should be withdrawn

Claims 2 and 7-8 have been canceled.

Claims 3-6 and 9-14 all depend from claim 1, and thus all include at least the “exclusion” limitation discussed above regarding claim 1. Since at least that limitation is absent from both May and Tozzoli, those two references cannot be combined to render claim 1 and its dependent claims unpatentable.

Claims 15, 17-20, and 23-28, as amended, are software claims with limitations analogous to method claims 1, 3-6, and 9-14, respectively, and thus for the same reasons should not be rejected over the combination of May and Tozzoli.

Claims 29-32, 35-41, and 44-46 also all have the same “exclusion” limitation discussed above; consequently, the rejections of these claims over May and Tozzoli should be withdrawn.

C. Excluding Front Runners and Peg Gamers is not in the Prior Art

Claims 73-76 are rejected based on the assertion that “excluding contra parties likely to misuse knowledge of said confidential trading interest comprise parties likely to front run, parties likely to peg game is well known in the art.” This assertion is unfounded. Indeed, one of the main motivations for the claimed invention is that prior art systems were unable to *identify* parties likely to peg game or front run – and without such identification, *excluding* such parties is impossible.

The Patent Office is respectfully requested to identify at least one prior art reference that describes excluding parties likely to front run or peg game from a targeted dissemination list of securities market participants. If no such reference can be identified immediately, then clearly such capabilities were *not* well known in the art at the time of Applicants’ invention, and the rejection of claims 73-76 should be withdrawn.

Moreover, Applicants respectfully request the Patent Office to provide the basis for the above assertion regarding peg gaming and front running. As far as Applicants are aware, that assertion has no basis in fact.

For at least the above reasons, Applicants respectfully request reconsideration (and withdrawal) of the rejections of the pending claims.

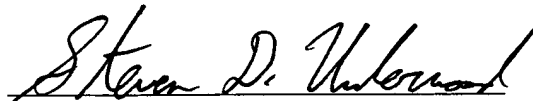
No statements made herein are intended to reduce the scope of the claims beyond that dictated by the plain wording of the claims themselves. Arguments regarding claim limitations are intended to apply only to claims explicitly possessing those limitations.

Applicant respectfully notes that it is improper to ignore arguments made in response to office actions. See MPEP § 707(f): "Where the applicant traverses any rejection, the examiner should, if he or she repeats the rejection, take note of the applicant's argument and answer the substance of it."

No fee (other than the one-month extension fee authorized above) is believed due with this Response. However, please charge any required fee to Deposit Account No. 50-0310.

Respectfully submitted,

September 12, 2006

A handwritten signature in cursive script, reading "Steven D. Underwood". The signature is written in dark ink and is positioned above the printed name and address.

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